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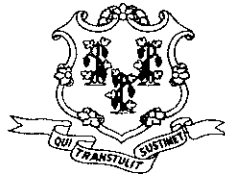
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State of Connecticut

GENERAL ASSEMBLY



**PERMANENT COMMISSION
ON THE STATUS OF WOMEN**

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**Written Testimony of
The Permanent Commission on the Status of Women
Before the
Commerce Committee
Thursday, March 6, 2008**

In Support of:

SB 399, AAC Regulatory Relief for Small Businesses

SB 400, AA Eliminating the Business Entity Tax

HB 5584, AA Increasing Funding for the Incumbent Worker Training Program

Senator LeBeau, Representative Berger and members of the committee, thank you for this opportunity to provide written testimony on the above referenced bills on behalf of the Permanent Commission on the Status of Women (PCSW).

SB 399, AAC Regulatory Relief for Small Businesses

SB 400, AA Eliminating the Business Entity Tax

PCSW supports passage of SB 399, AAC Regulatory Relief for Small Businesses, which would establish a task force to study ways to provide regulatory relief for small businesses, and SB 400, AAC Eliminating the Business Entity Tax, which would eliminate the tax on limited liability companies and limited liability partnerships.

PCSW convenes the Women's Economic Development Initiative (WEDI), and collaborates with the Connecticut Chapter of the National Association of Women Business Owner (CT-NAWBO) and the Microenterprise Resource Group (MERG) to support the growth of women-owned small businesses in Connecticut. In a 2008 survey conducted by MERG, business owners identified the following concerns: affordable

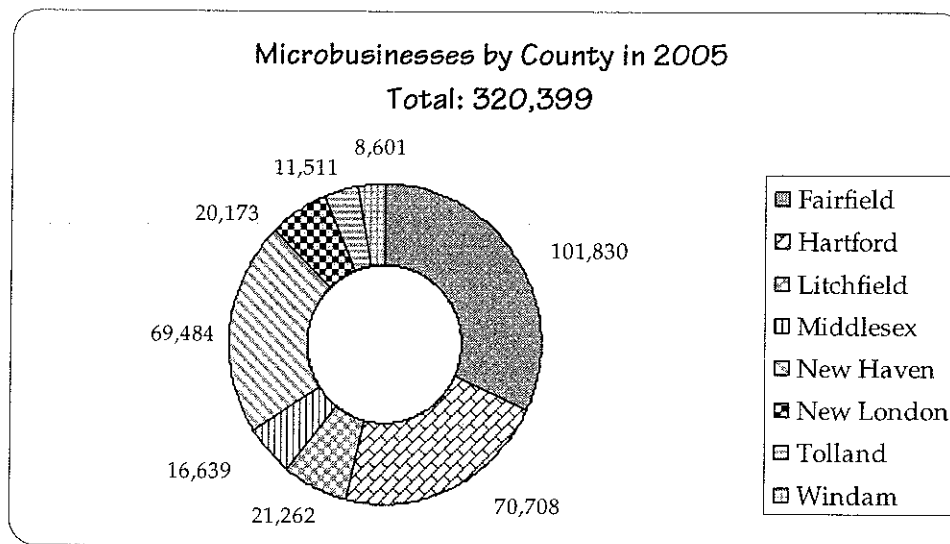
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health insurance, **repealing the business entity tax**, utility costs, **high licensing fees**, **review legislation for its impact on small business**, access to loans, unemployment and worker's compensation, incubator office space, and town zoning ordinances. Three of these concerns, as highlighted above, would be addressed through SB 399 and SB 400.

Small businesses are the engine of growth for our economy. In Connecticut there are approximately 118,583 privately owned firms in which women own equal or majority share.¹ Between 1997 and 2004, the number of businesses owned by women, their employment level, and their sales increased significantly— a 64% increase in the number of businesses; a 94% increase in the number of persons employed by such businesses, and; a 76% increase in sales.² A CT-NAWBO survey revealed that many women business owners gross between \$400,000 and \$3 million a year.

Microenterprises which are businesses that employ five or fewer people are actually the greatest job generator during all business cycles. These businesses are dominated by women and generally start as part-time, home-based businesses. In 2005, there were 320,399 microenterprises in Connecticut, with an annual payroll of \$6.7 million.³ In 2002, microenterprises grossed over \$1.9 billion.⁴



HB 5584, AA Increasing Funding for the Incumbent Worker Training Program

PCSW supports the passage of HB 5584 which would increase state funding for incumbent worker training programs. Twenty-percent of Connecticut working families do not have enough income to meet their basic costs of living based upon the family

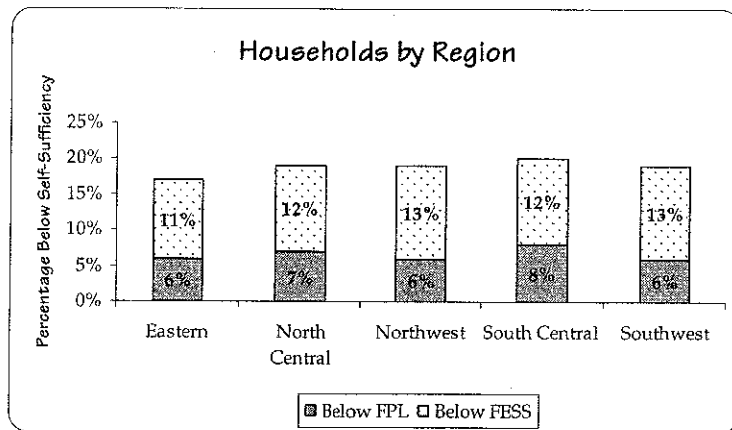
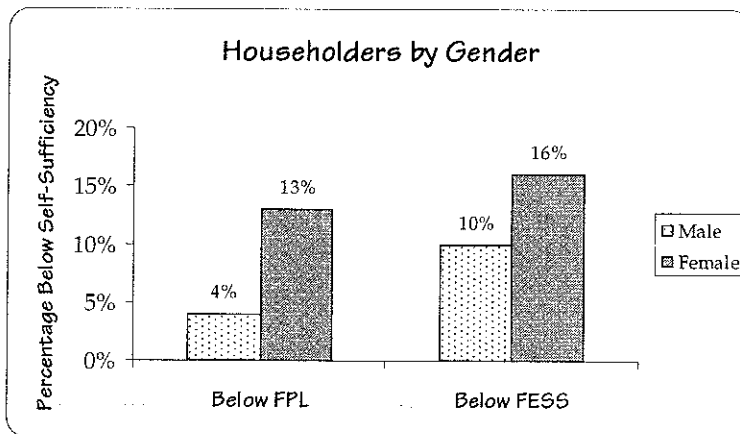
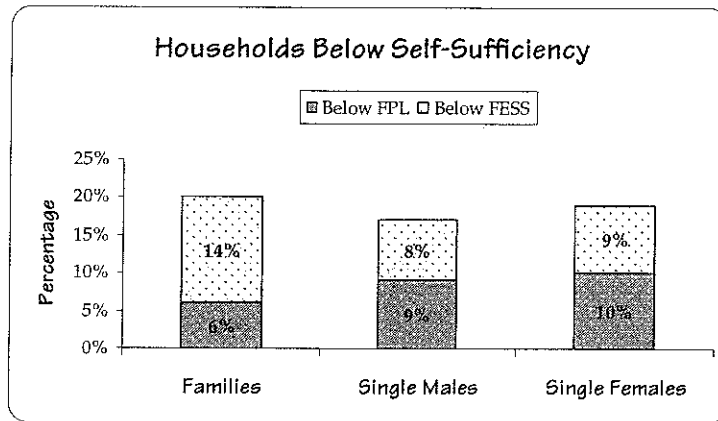
¹ Center for Women's Business Research. *Women-Owned Businesses in Connecticut, 2004: A Fact Sheet*.

² Ibid.

³ 2005 US Census Findings.

⁴ Ibid.

economic self-sufficiency standard (FESS).⁵ Of the 20%, female head of households represent 29% vs. 14% of male head of households.⁶



Employment is the key to reducing income inadequacy, but not all jobs are equal. Investing state dollars to supplement federal employment initiatives will also assist working families. The federal government has withdrawn support for job training programs, especially those which promote non-traditional careers for women. By investing state money to enhance limited federal funding streams Connecticut can: meet

⁵ Diana M. Pearce, Ph.D. *Overlooked and Undercounted: Where Connecticut Stands*. Prepared for the Permanent Commission on the Status of Women, June 2007 – also source for self-sufficiency charts.

⁶ *Ibid.*

the needs of more low-wage, low-skill workers; prevent critical labor shortages in traditionally male-dominated occupations such as the trades and high-tech manufacturing; promote a stronger link between workforce skills and business needs; and increase earning for workers.

We look forward to working with you to address this issue. Thank you for your consideration.